



consumer news

Office of Consumer Affairs
Executive Office of the President Virginia H. Knauer, Director

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Dear Consumer: Where the money goes

Two months ago I used this space to announce a campaign to urge consumers to do their part to hold the line on food prices—Shop Harder, I said. And with reason, as we all know.

Food prices in the past year have risen 3.7%. This is higher than any of us like, but it is not a crisis. In fact, the 3.7% rise is less than the average rate of increase during 1967-71, when food prices were not generally considered to be a serious problem. Moreover, the average consumer is earning more today than he was a year ago, meaning more money to spend on food than a year ago.

It is true, of course, that some food prices have risen more than the average. Meat prices rose 11.6%. Meat is important, & as incomes go up, we can afford more meat—and we're demanding more than is readily available. The situation is sort of like 2 shoppers bidding against each other for one steak; the shopper willing to pay more gets the steak. If there were 2 steaks available, each shopper would get a steak without "breaking the grocery budget." But the meat supply—which has been tight worldwide—simply has not expanded quickly enough to match the rise in the average consumer's purchasing power.

Meat accounts only for about a fourth of your food budget. If meat prices went up more than the average, the prices of some other foods had to go up less than the average—or decline. So here's what happened in the past year (July 1971 through June 1972) to prices of some of the foods in the remainder of your budget:

- Prices actually went down for cereals, bakery products, poultry, eggs & non-alcoholic beverages;

- Prices of dairy products rose less than 1%;
- Prices of fruits & vegetables rose less than 2%.

Figures from the Bureau of Labor Statistics show that the average American's take-home pay is up 7.2% in the past year. So, I am told, even with food prices up, the average consumer could have bought 18% more food than a year ago. Of course, Mr. & Mrs. Average Consumer didn't actually buy 18% more food. They chose to buy more other things: cars, appliances, vacations, clothes, housing, etc. Buying more nonfood products & services, including vacations, has been attractive because nonfood prices have risen only 2.9% in the past year—so much less than food prices that other things looked "cheap" while food seemed "high" by comparison.

I know a lot of statistics don't make sense when you know you have been spending more for food. But stop & look at where the rest of your money goes.

I'm still saying shop harder at the supermarket, but now I want to remind you to shop harder at the car dealer's, at the furniture store, at the department store & at the appliance store, too. They have "deals" & "specials" & other advertised sales that can help you help your budget. Look for the "weekend specials" & "one-day-only" specials as well as the discontinued models, floor samples & end-of-season clearances.

If you try shopping harder all the time, you might find you can celebrate the new car or washing machine with a steak dinner.

Sincerely,

Virginia Knauer

Social Security & rent

Cost of Living Council on Oct. 2 ordered a nationwide "rent watch" with the aim of preventing landlords from boosting rents to take advantage of increased Social Security payments to the elderly, the handicapped, children & widows. On Oct. 3, Social Security beneficiaries began receiving checks reflecting income increases of 20%.

The 4-part rent watch includes the following actions:

- **RENT SWEEP**—Internal Revenue Service is conducting a "rent sweep" from each of its 58 district offices to check for compliance with Federal rent regulations. "Rent sweep" will concentrate on apartment buildings that house high percentages of older Americans on Social Security.

- **COMPLAINT SERVICE**—A rent watch program is in force in over 300 local IRS offices across the nation to help Social Security beneficiaries. Persons contacting the IRS with a rent inquiry or complaint should identify himself or herself as a Social Security beneficiary. To get in touch with the nearest IRS office, look under the U.S. Government heading in your local telephone directory.

- **SANCTIONS & PENALTIES**—IRS now has the authority to order landlords in violation of rent regulations to restore overpayments to tenants, rollback rents to legal limits & pay a penalty equal to double an overcharged rent.

- **PUBLIC EDUCATION**—IRS & Social Security Administration offices are distributing free copies of a pamphlet, "*Rent Watch*" for Social Security Beneficiaries, to education tenants—as well as landlords—of their rights & responsibilities under rent regulations. Ask for a copy at your nearest IRS or Social Security office. Also, Rent Advisory Board of the Price Commission has published a free booklet entitled *The Tenant's Guide to Rent Controls*, which is available from Office of Public Affairs, Price Commission, Washington, DC 20508.

Some rent increases are permissible. For example, some Social Security recipients are subject to Housing & Urban Development Dept. regulations requiring rents to be adjusted with changes in income. So, although some HUD-controlled rents will now increase, in no case will Social Security recipients have to pay a larger percentage of their income for rent than the percentage they had been paying before Social Security benefits increased Oct. 3.

Some FAA suggestions about model planes

Federal Aviation Administration, which usually is concerned with full-scale airplanes, has taken time to look at another consumer aspect of flying—model airplanes.

FAA has recommended operating standards for hobbyists who fly model airplanes. FAA Administrator John H. Shaffer said the recommended standards are an effort to deal effectively with potential hazards to other airspace users & with community noise problems.

Academy of Model Aeronautics is cooperating with FAA's program of recommended standards. About 500,000 Americans fly models as a sport or hobby. Models may have up to 6 feet in wingspan & weigh as much as 6 pounds.

FAA recommends the following practices to hobbyists:

- Select an operating site far enough from populated areas to avoid noise problems or potential hazard to persons on the ground;
- Limit flights to an altitude of 400 feet above the surface;
- Operate models at least 3 miles from an airport unless an FAA air-traffic control facility or the airport manager gives permission for close-in operation;
- Watch for full-size airplanes to avoid possible collision;
- Consult the nearest FAA airport control tower or air-route traffic control center for assistance in complying with the standards.

You may get a copy of FAA Advisory Circular No. 91-34, *Model Aircraft Operating Standards*, by writing to Transportation Dept., Distribution Unit, TAD 484.3, Washington, DC 20590.

CN Notebook

Here is another shopping idea from a CONSUMER NEWS reader. If you want to pass along some of your shopping suggestions, send them to CN NOTEBOOK, Office of Consumer Affairs, Washington, DC 20506.

Henry S. Trout of Deerfield Beach, FL, says watch for "specials" in food ads to save money—not just this week, but 2 or 3 weeks later: "Buy the special, such as jars of instant coffee, when it appears even though you may have enough on hand for 2 or 3 weeks. . . . This way you won't run out of the item & have to pay the full price because the 'special' doesn't appear that week."

He also suggests that when you are comparing prices of brands, notice whether one brand offers a coupon on the package or inside. You could save by selecting the brand with the coupon offering a few cents off your next purchase of the same brand.

Agriculture Dept. repeats a particularly good shopping tip: always check weights of fresh produce. The department also sends a reminder of something that many consumers forget in their rush to get out of supermarket check-out lanes: check the cashier's tallying & check sales slips; count your change.

Banned toys

Food & Drug Administration's Bureau of Product Safety has published a compilation of all toys it has banned up to Aug. 31. The Child Protection & Toy Safety Act of 1969 authorizes FDA to ban toys & other children's products with electrical, mechanical or heat hazards.

Each entry in the 43-page booklet, *Banned Toys*, has the name & location of the responsible company, means of identifying the banned article, date of banning & hazard that caused the ban. In addition to being a guide to spot toys that have been banned but might remain in stores, the list can be used as another kind of purchasing guide. A safety conscious consumer can note the hazards associated with the banned toys & examine other toys for similar evidence of possible hazards.

Bureau of Product Safety admits its list is not foolproof. Identifying marks & descriptions of hazards often do not easily differentiate the banned toys from ones that manufacturers have modified to eliminate hazards.

Banned Toys is published monthly & is free to consumers. For your copy, write to Bureau of Product Safety, Food & Drug Administration, 5401 Westbard Ave., Bethesda, MD 20016.

Possible fire hazards

Federal Trade Commission's staff is investigating possible existence of fire hazards associated with certain plastic products used in the construction & furnishing of buildings & houses. In particular, the staff is investigating certain foamed plastics, such as polyurethane & polystyrene, which are widely used in construction as insulation. Preliminary information indicates that where such plastic foam is used for insulation & where its surface remains exposed to air, it may present a fire hazard. While it does not catch fire easily, it can contribute to spreading a fire in a building; it also can cause large quantities of smoke & fumes.

The staff is also investigating whether the flammability standards used by the plastics industry for such plastic foams may be misleading.

Persons with technical or scientific information that will aid the investigation may contact Alfred W. Cortese Jr., Assistant Executive Director for Legal Coordination, Federal Trade Commission, Washington, DC 20580

Future FTC action about plastic foams will depend upon facts developed in this investigation.

Getting from here to there

A study of consumer travel problems by **Transportation Dept.** shows serious inconvenience exists—particularly for the aged, handicapped, inexperienced & non-English speaking—and should be remedied. In addition to an almost complete lack of coordination between airlines, trains & buses, the study reports that problems are caused by a lack of consistency in standards & procedures within each mode of travel.

Among the examples of problems that many consumers have experienced are the following:

- Information systems do not provide complete trip data & directions for the traveler;
- Signs & symbols are not uniform;
- Abbreviations & terminology on travel tickets & other documents cause confusion;
- Public address announcements are often unintelligible;
- Central city stations or terminals are not properly cleaned;
- No standards exist for service for passengers when travel schedules are interrupted;
- Local transportation to & from terminals or stations is often inconvenient or expensive;
- Long walkways, steps & ramps inconvenience many passengers;
- Assistance with luggage is inadequate, particularly on trains & buses;
- Baggage handling systems frequently cause excessive damage or loss.

The study reports that although Congress has given broad authority to **Interstate Commerce Commission**, which regulates trains & buses, & **Civil Aeronautics Board**, which regulates air service, to set standards for inter-city travel services, facilities & equipment, the agencies have not sufficiently used their authority. The study recommends that

1. Each carrier (airline, train & bus) should analyze its inter-city travel system & establish procedures to meet the needs of all travelers, including those with special problems & those who are inexperienced;
2. Regulatory agencies should use their authority to set standards for travel service & for quality & maintenance of facilities & equipment;
3. Transportation Dept. should assume leadership in coordinating the activities of government, industry & private groups in establishing consistent facilities & services for inter-city travel by airline, train or bus.

You may get a copy of the report, *Evaluation of Traveler Service Problems*, by sending \$3 to **National Technical Information Service**, 5285 Port Royal Rd., Springfield, VA 22151. State the title of the report & its publication number: DOT-OS-10212.

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